

ACCOUNTING PERIOD – The fiscal year is divided into 13 accounting periods. Each accounting period includes two bi-weekly payrolls, and is generally four weeks long.

ACCRUAL BASIS OF ACCOUNTING – The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

AD VALOREM – In proportion to value, a basis for levy of taxes on property.

ALLOCATED RESERVE – Represents funds carried forward for previous fiscal year obligations, including projects that could not be completed prior to the end of that year.

AMERICANS WITH DISABILITIES ACT (ADA) – Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of TDD/telephone relay services.

ANNUALIZATION – Taking changes that have occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

APPROPRIATION – A legal authorization to incur obligations and to make expenditures for specific purposes.

APPROPRIATION ORDINANCE – The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

ASSESSED VALUATION – An official government value placed upon real estate or other property as a basis for levying taxes.

AUTOMATED SUPPORT – Data processing and information systems support.

BALANCE (FUND BALANCE) – Excess of a fund's balance and revenue over or under expense and reserve.

BALANCED BUDGET – The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available sources.

BEGINNING BALANCE – The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

BOND – A funding tool representing a written promise to pay a specific sum (face value or principal amount) in the future (maturity date), plus interest. In local California government, bonds are only used to finance capital improvements.

BOND, GENERAL OBLIGATION – a limited tax bond, which is secured by the City's property tax.

BOND PROCEEDS – Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

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BOND RATING – A methodology used to measure the fiscal health of the City. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to municipalities. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

BUDGET – Proposed plan of expenditure and revenue over a given period of time.

BUDGET CALENDAR – The schedule of major events in the development of the annual budget, including community budget forums, proposed budget, budget hearings, budget deliberations, and adoption of the annual Appropriation Ordinance.

BUDGET DELIBERATIONS – After the completion of public hearings, the Mayor and City Council review and approve the City Manager's Proposed Annual Budget during deliberations.

BUDGET DOCUMENT – The instrument utilized to present the City's comprehensive financial plan to the City Council and the public.

BUSINESS IMPROVEMENT DISTRICT (BID) FUNDS – A special assessment levied upon business owners within a district with specifically defined boundaries established by City Ordinance. These assessments finance improvements within the district. For more information about BID funds, refer to the City Funds section in Volume I of the Budget Document.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO) EXCELLENCE IN BUDGETING AWARD – This organization recognizes local municipalities within the state of California for outstanding budgets. Its attainment represents a significant accomplishment by City management, staff, and elected officials of recipients. Budgets are evaluated for excellence in operational budgeting, capital budgeting, innovation, and public communications

CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET – Authorized expenditures for tangible and long-term physical improvements or additions of a fixed or permanent nature (e. g., an additional police or fire station, or a new street).

CAPITAL IMPROVEMENT PROJECT – A capital improvement is generally a large construction project such as the development of park land, the construction of an overpass, the installation of a traffic signal, the acquisition of land, or the construction or remodeling of a City building. Funds for these projects are derived largely from the issuance of bonds, water and sewer fees, a 1/2-cent local sales tax for transportation improvements, grants, and developer impact fees.

CASH BASIS OF ACCOUNTING – The basis of accounting under which revenues are recorded when received in cash and expenditures (or expenses) are recorded when cash is disbursed. Since payments for goods and services can be delayed to the next fiscal year, cash on hand can result in an inaccurate picture of the financial condition of a fund. To be in conformance with generally accepted accounting principles (GAAP), local governments must use the accrual basis rather than the cash basis of accounting.

CHARGES FOR CURRENT SERVICES – This revenue results from user fees for various City services. Library charges, golf course fees, filing fees for planning services, charges for engineering, and fire and police services are included.

CITY MANAGER’S BUDGET MESSAGE – The City Manager’s memorandum to the City Council summarizing the most important aspects of the budget, including changes from the current fiscal year, and the goals, themes and priorities that are encompassed within the City’s budget.

CITYWIDE RESIDENT SURVEY – A Citywide telephone survey that has been conducted on an annual basis since 1995 in which a representative sampling of San Diego residents were interviewed to determine their level of satisfaction with services provided by the City of San Diego.

COMMERCIAL PAPER – A short-term borrowing tool typically used to raise money needed to cover cash-flow deficits. Maturation on Commercial Paper does not exceed nine months (270 days) and averages about 30 days.

COMMUNITY BUDGET FORUMS (CBF) – Budget presentations followed by a question-and-answer session to community and citizen groups throughout the City. This is an opportunity for citizens to provide input on budget priorities and to discuss issues related to the City budget.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS – Funds established to account for revenues from the federal government and expenditures as prescribed under the Community Development Block Grant Program. For more information about CDBG funds, refer to the City Funds section in Volume I of the Budget Document.

COMPETITIVE ASSESSMENT – To insure the competitiveness of services, the City of San Diego analyzes performance measures and desired outcomes; benchmarks its performance against other providers of comparable services; develops action plans to make the City more competitive; evaluates alternate service delivery models; implements changes based on the results of the process; and monitors ongoing competitive performance.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – This report is prepared by the City Auditor and Comptroller’s Office. It is usually referred to by its abbreviation, and summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

CONTINUING APPROPRIATIONS – Funding approved in the current budget but not expended during that current budget year. These appropriations are carried forward into the next fiscal year for their intended purpose.

CONTRACTUAL SERVICE – A written agreement or legal instrument whereby the City of San Diego is committed to expend, or does expend, public funds in consideration for work, labor, services, equipment, or any combination of the foregoing.

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DATA PROCESSING – Includes expenditures for information technology such as computer hardware and software, maintenance contracts, and support.

DEBT SERVICE – Payment of interest and principal on an obligation resulting from the issuance of bonds.

DEPARTMENT – A basic organizational unit of government which may be sub-divided into divisions, programs, activity groups, and/or activities.

DEFERRED MAINTENANCE – Backlog of needed repairs to City facilities, including roof replacement, heating and cooling system upgrades, painting, floor covering repair, and structural repairs.

DISBURSEMENTS – Funds actually expended.

DIVISION – An organizational component of a department, possibly sub-divided into programs and activities.

DISCRETIONARY FUND – Funds for which there are no restrictions on the use of the fees or taxes collected.

EFFICIENCY – A relationship between the resource allocation (input) and the ultimate product or service delivered (output) for a particular activity. Usually expressed as “cost per service provided.”

ENCUMBRANCE – An encumbrance designates or reserves funds for a specific purpose as approved by the appropriate authority. When the goods and services are received, the encumbrance is released and an expenditure is recorded for the actual costs.

ENERGY AND UTILITIES – This expenditure category includes gas, electrical, water, sewer, telephone, and other utility expenses.

ENTERPRISE FUNDS – Funds established to account for specific services funded directly by fees and charges to users. These funds are intended to be self-supporting. For more information about enterprise funds, refer to the City Funds section in Volume I of the Budget Document.

ENVIRONMENTAL GROWTH FUND – This fund was established in accordance with Section 103.1a of the City Charter to receive 25% of all funds derived from the revenues accruing to the City from gas, electricity and steam franchises.

EQUIPMENT AND VEHICLE FINANCING PROGRAM – A lease-purchase program for vehicles and equipment acquisitions. Lease payments are subject to annual appropriations and are not considered to be debt under the City Charter or the State Constitution.

EQUIPMENT OUTLAY – This expenditure category includes purchases of capital equipment such as furniture, vehicles, large machinery, and other capital items. The Equipment and Vehicle Financing Program is budgeted within this expenditure category.

ESTIMATED REVENUE AND EXPENSE – The revenue or expense projected to be received or expended during a specific time period, usually a fiscal year.

EXPENDITURE – The actual outlay of monies from the City Treasury.

EXPENDITURE CATEGORY – Also known as allotment classes, expenditure categories are groupings of similar types of expenditures. The City uses six major expenditure categories: salaries and wages; fringe benefits; supplies and services; data processing; energy and utilities; and equipment outlay.

EXPENSE – Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

FEDERAL GRANT FUNDS – These funds were established to account for revenue from the federal government and expenditures as prescribed by grant provisions/agreements.

FINAL BUDGET – The City Council-approved plan for the City's financial operations, which includes an estimate of expenditures and revenues for a given fiscal year.

FINANCIAL MANAGEMENT INFORMATION SYSTEM (FMIS) – An automated information system that records proposed expenditures and revenues for all City departments. The information is used to prepare the City's Annual Budget and administer budgets throughout the fiscal year.

FINES, FORFEITURES AND PENALTIES – This revenue results from violations of various City and state laws, and from damage to City property.

FISCAL YEAR (FY) – Twelve-month term designating the beginning and ending period for recording financial transactions. The City of San Diego has specified July 1 through June 30 as the fiscal year.

FRINGE BENEFITS – This expenditure category consists of the costs to provide employee benefits. Typical employee benefits include the flexible benefit program, insurance, and retirement. According to the City of San Diego Charter, fringe benefit expense is not considered a salary or wage expense.

FULL TIME EQUIVALENT (FTE) – The decimal equivalent of a part-time position converted to a full time basis, i.e., one person working half time would count as 0.50 FTE.

FUND – A fiscal and accounting entity with a self-balancing set of accounts to record revenue and expenditures. For more information about funds, refer to the City Funds section in Volume I of the Budget Document.

GANN LIMIT (PROPOSITION 4) – Under this article of the California Constitution, the City must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the City can actually appropriate annually.

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GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards used by state and local governments for financial recording and reporting that have been established by the accounting profession through the Governmental Accounting Standards Board (GASB).

GENERAL FUND (100 FUND) – The City’s main operating fund that is used to pay for basic City services that utilize most tax dollars and is also supported by fees from licenses and permits, fines, and investment earnings. For more information about the General Fund, refer to the City Funds section in Volume I of the Budget Document.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTINGUISHED BUDGET AWARD – Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

GRANT – A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block.

GROWTH RATE – The level at which expenditures and revenue are expected to increase annually.

INTEREST AND RENTS – These revenues result from investment earnings on City funds, parking meters, various franchise agreements, and agreements for use of City land and facilities.

INTERFUND TRANSFERS – A transfer of funds between departments/funds for specific purposes as approved by the appropriate authority.

INTERNAL OUTCOME – A specific quantified statement that is primarily used internally by management to assess ongoing performance of an activity. It typically measures the effectiveness and efficiency of the organization in delivering services.

INTERNAL SERVICE FUNDS – A fund created to finance and account for a department or division’s work for other departments. The fund’s expenses are repaid from fees or fund transfers, thus keeping the original fund capital intact. For more information about internal service funds, refer to the City Funds section in Volume I of the Budget Document.

LEVY – To impose taxes, special assessments, or charges for the support of City activities.

LICENSES AND PERMITS – This category includes revenue raised for the purpose of recovering the costs associated with regulating business activity. Many of these fees are regulatory in nature in order to insure compliance with the law.

MAINTENANCE ASSESSMENT DISTRICT (MAD) FUNDS – Property owners within a specified district are assessed for the purpose of financing maintenance of open space areas, street medians, rights-of-way, and in some cases, mini-parks and streetlights. For more information about MAD funds, refer to the City Funds section in Volume I of the Budget Document.

MANDATED PROGRAM – A requirement by the State or Federal government that the City perform a task, perform a task in a particular way, or perform a task to meet a particular standard, often without compensation from the higher level of government.

MISSION STATEMENT – A broad statement describing the purpose of the department/division.

MODIFIED ACCRUAL BASIS OF ACCOUNTING – Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

MODIFIED CASH BASIS OF ACCOUNTING – Sometimes known as Modified Accrual Basis, it is a plan under which revenues are recognized on the cash basis while expenditures are recognized on the accrual basis.

MOTIVE EQUIPMENT ASSIGNMENT AND USAGE – Costs associated with motor vehicles consists of two charges: assignment and usage. Assignment charges represent an amount to offset the annualized estimated expense for replacing the vehicle at the end of its economic life. Usage charges are fees that offset all operating expenses associated with the equipment class, including maintenance, fuel, tires, and repairs.

MWWD – Metropolitan Wastewater Department.

NET TOTAL COMBINED BUDGET – The City's total budget including operating and capital revenues and expenditures, reflecting General Fund, Special Revenue Funds and Enterprise funds, less interfund transfers activity, for a fiscal year.

NON-GENERAL FUND – This is a fund that is not part of the General Fund. Examples of Non-General Funds include Internal Service, Special Revenue, Trust, Agency, and Enterprise Funds. For more information about Non-General Funds, refer to the City Funds section in Volume I of the Budget Document.

NON-PERSONNEL EXPENSE – Expenditures related to supplies, services, and outlay.

ONETIME EXPENDITURES AND/OR REVENUES – These are expenditures and/or revenues for onetime projects or services. After the project or service is completed, expenditures and/or revenues are terminated and are not considered part of the budget for the following year.

OPERATING BUDGET – Authorized expenditures for ongoing municipal services (e.g., police protection, street maintenance, and records storage).

OTHER LOCAL TAXES – Taxes other than property tax. This category includes sales tax, property transfer tax, and transient occupancy tax.

OTHER REVENUES – In this category are funds from the sale of assets other than real estate, and other miscellaneous revenues.

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OUTPUTS – Quantifiable units that represent the products or services provided when performing an activity.

PERFORMANCE BASED BUDGETING (PBB) – A system of budgeting that lists services by activities, identifies the resources that are applied to these activities, and describes how efficiently and effectively the City performs these services.

PERFORMANCE MEASURE – A performance measure measures work performed and results achieved. Types of measures include: input, output, efficiency, and internal or external outcomes.

PERSONNEL EXPENSE – Expenditures related to employee compensation including wages and salaries, fringe benefits, retirement, and special pay, such as shift differential.

POLICY ISSUES – The addition, expansion, reduction, or modification of programs that have significant implications/impact to the City or public.

PRIOR YEAR – Transactions that are posted in the current year for previous years' contracts or commitments for service. Encumbrances from the previous year are carried into the next year's appropriation.

PROPERTY TAX – An “ad valorem” tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1% of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter-approved indebtedness.

PROPERTY TRANSFER TAX – A tax imposed whenever the ownership of real property changes.

PROPOSED BUDGET – The City Manager's recommendation for the City's financial operations, which includes an estimate of proposed expenditures and revenues for a given fiscal year.

PUBLIC LIABILITY CLAIMS FUND – A program from which the City pays claims arising from real or alleged acts on the part of the City, including claims for bodily injury, property damage, inverse condemnation, false arrest and errors and omissions.

REIMBURSEMENT – Fees received as payment for the provision of specific municipal services.

RESERVE – An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

REVENUE – Funds received from various sources and treated as income to the City which are used to finance expenditures.

REVENUE CATEGORIES – The major categories of revenue are property taxes, local taxes, licenses and permits, fines and forfeitures, revenue from money and property, revenue from other agencies, charges for current services, miscellaneous revenue, and transfers from other funds.

REVENUE FROM MONEY AND PROPERTY – This revenue category consists of revenue from money, which includes interest earnings and dividends, and revenue from property, which includes revenue from rents and concessions.

REVENUE FROM OTHER AGENCIES – This category includes revenues from federal grants, State grants and allocations, State Motor Vehicle License Fees, and reimbursement from the Unified Port District for services provided.

SALARY AND BENEFIT ADJUSTMENT – Adjustments to reflect the annualization of negotiated salary compensation schedule, negotiated salaries and benefits, changes to average salaries, and other salary and benefit compensation.

SALARIES AND WAGES – This expenditure category includes salaries, hourly wages, overtime, bilingual pay, and special pay expenses. According to the City of San Diego Charter, fringe benefit expense is not considered a salary or wage expense.

SERVICE EFFORTS AND ACCOMPLISHMENTS (SEA) – Previously, this was an annual publication that highlighted 10 departments' accomplishments. Beginning in Fiscal Year 2004, the majority of the SEA has been incorporated into Volume I of the budget. In addition, there is an SEA section for each department in Volumes II-III.

SCHEDULE – A summary of revenues, expenditures, and positions for all departments and funds, and reflects the funding sources and spending areas of the Capital Improvements Programs. Schedules also provide the City's Total Combined Budget, summarizing all of this information.

SPECIAL DISTRICT – A designated geographic area established to provide a specialized service usually petitioned for by the citizenry and approved by the City Council (e.g., Open Space Maintenance).

SPECIAL REVENUE FUNDS – These funds account for revenues received that have specific purposes for which they can be used. For more information about special revenue funds, refer to the City Funds section in Volume I of the Budget Document.

SUPPLIES AND SERVICES – This expenditure category consists of materials, supplies, contractual services, fees, and other services.

TAX ANTICIPATION FUND – Contains monies that are borrowed from the sale of Tax Anticipation Notes (TANS) on a short-term basis to meet the cash requirements of the City prior to the receipt of property taxes. For more information about funds, refer to the City Funds section in Volume I of the Budget Document.

TAX RATE ORDINANCE – This ordinance, annually adopted by the Mayor and City Council, fixes a rate of taxation for real and personal taxable properties.

TRANSFERS – Transfers are the authorized exchanges of cash, positions, or other resources between organizational units.

TRANSIENT OCCUPANCY TAX (TOT) – A tax that is imposed on occupants of hotel and motel rooms in the City of San Diego.

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TRANSIENT OCCUPANCY TAX FUND – A fund established to receive five cents of the ten and one-half cents of the Transient Occupancy Taxes collected. For more information about funds, refer to the City Funds section in Volume I of the Budget Document.

UNALLOCATED RESERVE – A General Fund reserve used for unanticipated needs that arise during the year.

UNAPPROPRIATED RESERVE – This reserve was established to fund major General Fund emergencies and to assist in maintaining a favorable bond rating. Specific expenditures are not budgeted within this reserve; therefore, these funds are not reflected in the annual budget. No specific legal guidance or policy restrictions have been placed on the use of these funds. However, specific City Council authorization is necessary to expend these funds.

ZERO BASED MANAGEMENT REVIEW (ZBMR) – A process that utilizes citizen review teams to conduct independent operational reviews of all City departments at least once every five years.

ZOOLOGICAL EXHIBITS FUND – This fund was established to expend monies for maintenance of zoological exhibits in Balboa Park and is financed from a fixed property tax levy authorized by Section 77A of the City Charter. For more information about funds, refer to the City Funds section in Volume I of the Budget Document.